

Senator Musto, Representative Tercyak and Members of the Human Services Committee.

Re: Section 6 of SB 30, AA Implementing Provisions of the Budget Concerning Human Services

My name is Rhonda Boisvert, the owner of Pleasant View Manor in Watertown, an 18-bed residential care home. I am also the past President of the CT Association of Residential Care Homes (CARCH).

Residential care homes provide a home for many elderly and disabled people in our communities who have reached the time in their lives when they can no longer live alone. RCHs are "home-like" and tend to be small. The average size home is 25 beds.

Over the years, our industry has been described as the "best bang for the buck" by administration officials because the cost to the state is low and, for many residents, a residential care home is the last stop before a nursing home. If the state did not have our homes, most residents would have to enter a nursing home at a much higher cost to the state.

There are approximately 100 residential care homes left in the state. No new homes have opened in the state for some time. Many have closed because they could not operate under the rate structure and it was more profitable to just sell the property.

Unfortunately, the rates for residential care homes have been frozen for three successive years. While costs for food, oil, electricity, insurance, gas and other essentials have risen, our ability to pay for these items and our employees have not been allowed to rise according to our costs.

If Section 6 is implemented, it will add insult to injury as any "reductions in land and building costs" will be recognized and lead to a lower rate BUT the increased costs for other components of our rates will not be covered.

Often, the Department of Public Health or the local fire marshal or health director will require an improvement for the health or safety of the residents. However, due to the rate freeze, these expenses known as "fair rent" are not able to be recouped. Now, state government wants to go even further by imposing a reduction on some homes with this bill.

The Connecticut Association of Residential Care Homes (CARCH) recently conducted a survey of our membership on the impact of the rate freeze. It has been devastating and demoralizing and I attach part of the survey with this testimony.

We would like to work with you and the administration to remove the rate freeze for the next fiscal year. We have received information from the Department of Social Services and have a good understanding of the amount of funds needed. CARCH believes that we can allow the regular rate process to be reinstated.

The Office of Policy and Management (OPM) has acknowledged that funds for residential care homes are included in the Governor's proposed COLA increase for providers. Due to the Social Security increase effective 1/1/12, the state will be paying less for the care of some residents. Finally, without any incentive from the state, some homes have saved the state considerable money by taking over the administration of medication from nursing agencies.

With the above funds, CARCH is hopeful that we can work together to remove the rate freeze and allow residential care homes to continue to provide a home for the elderly and persons with a mental disability.

Thank you for the opportunity to address you.

CT ASSOCIATION OF RESIDENTIAL CARE HOMES: SUMMARY OF QUESTIONNAIRE RESPONSES

OVERVIEW OF SURVEY RESULTS

- The following survey was sent to members of the Connecticut Association of Residential Care Homes in late 2011.
- Every residential care home that responded to the survey indicated that the rate freeze has had an adverse impact on their home.
- The overwhelming majority have had to freeze wages, put off capital improvements and reallocate resources due to the rate freeze and their own rising costs. Some homes have also had to cut staff, decrease trips/social activities for the residents and decrease their own salaries while working significantly more hours.
- Over half of the homes have had difficulty with the Department of Public Health when it comes to inspections. Several of these homes have been burdened with paying thousands of dollars to update their facilities which were deemed by DPH to be for the health and safety of residents. Many homes have been frustrated with DPH inspectors who often act inconsistently in their audits and reviews of homes.

Department of Social Services- Rates:

“It has been devastating. The cost of electric and oil combined has increased 17.6% or \$7,822 annually. Because these are such large increases they fall out of the accepted allowance for inflation so part of the expense has been disallowed. So on top of everything else, they State has lowered our rate because they have disallowed parts of these expenses.”

“We have cut down on our food by revising the menu to have more casseroles and meals that will stretch. Our van, which we have used for recreation is making less trips into the community because of the cost of gas. Our employees have not had a raise in three years. They are making salaries that don't allow them to pay their rent and buy food unless they have a part-time job. We have had bill collectors call the facility to speak with them. We have storm damage to our roof from the winter of 2011, plus two more storms that have caused tree and limb damage. Our home is in need of inside painting and the windows in the back of the house need to be replaced. We get water coming in when it rains and this affects our call bell system. The chimneys need repositioning and we have two bathrooms that need to be fully redone. Wages are frozen and co-pays have gone up from \$20 to \$40 for the employees health insurance plan. “

"The rate freeze has had a demoralizing impact on our homes. Employees have been working at the same rate while paying more towards their health insurance. Residents have had to deal with long time staff leaving our homes to take on employment at higher paying larger facilities in other areas."

"We can't give staff raises – unhappy staff. We have to personally subsidize most repairs and maintenance. Also, we have to put a portion of our [owners] checks back into the business to keep our heads above water."

"Most of my employees are new and I shall soon be feeling the pinch from the rising medical cover. I have kept the wages low, reduced the benefits to the minimum (pension), have postponed badly needed repairs to our sewer and driveway etc. The broken driveway is a liability and I am being charged larger premium for that. It does worry me as someone will soon get injured and will put in a claim. My heating bill would have risen by over \$10,000 this year due to the rising oil prices compared to last year so I converted to Natural Gas at a cost of \$15,000 and this should be paid off within two years and will save the State in the long run. We have also taken over the responsibility of administering medication to our residents"

"The way they are holding our rates from going along with the cost of living is not healthy. I am unable to run this home the way I want to or the way I used to. I am concerned when they finally take off the freeze that they won't look back to the beginning of the freeze to the present and adjust rates properly and not just slap a 2% increase for us."